

**ANNUAL REPORT  
OF THE  
BOARD FOR THE COORDINATION OF  
CHILD CARE REGULATIONS**



**Indiana Legislative Services Agency  
200 W. Washington Street, Suite 301  
Indianapolis, Indiana 46204**

**November, 2003**

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# BOARD FOR THE COORDINATION OF CHILD CARE REGULATION

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### Staff

Ann Naughton  
Attorney for the Board

Francine Rowley  
Attorney for the Board

A copy of this report is available on the Internet. Reports, minutes, and notices are organized by committee. This report and other documents for this Committee can be accessed from the General Assembly Homepage at <http://www.state.in.us/legislative/>.

## **I. STATUTORY DIRECTIVE**

The Indiana General Assembly enacted IC 12-17.2-3.1 directing the Board to study the laws governing the regulation of child care and make recommendations to the General Assembly concerning changes in the law the Board finds are appropriate. The Board's program of study includes a study of the following topics:

- (1) The need for changes in the scope and degree of child care regulation established by statute or rule, or both.
- (2) The need to reorganize governmental units involved in the regulation of child care facilities to promote effective and efficient child care regulation, including the form that a needed reorganization should take.
- (3) A method for the completion of a statewide needs assessment to determine the availability and projected need for safe and affordable child care.
- (4) The need for programs to meet the needs of Indiana residents if the Board determines that safe and affordable child care facilities are not available and easily accessible to Indiana residents.
- (5) The effect of pending and enacted federal legislation on child care in Indiana and the need for statutory changes to qualify for federal child care grants and to comply with federal child care requirements.
- (6) The immunization rates at licensed child care centers to determine if children at the centers have received age appropriate immunizations.

## **II. INTRODUCTION AND REASONS FOR STUDY**

The Board met to study child care as outlined in IC 12-17.2-3.1-11. The Board originally expired on November 1, 1997. The Board was reestablished by P.L. 211-1999, beginning July 1, 1999 with an expiration date of November 1, 2001. During the 2001 legislative session, the General Assembly enacted P.L. 96-2001, extending the Board's expiration date from November 1, 2001, to November 1, 2004. P.L. 18-2003 extended the Board's expiration date to November 1, 2005.

## **III. SUMMARY OF WORK PROGRAM**

The Board met five times during the 2003 interim.

### *First Meeting*

The first meeting of the Board was held on September 10, 2003. The Board considered testimony related to:

- (1) the status of child care in Indiana;
- (2) the impact of the Fall, 2002, change in Child Care and Development Fund (CCDF) eligibility criteria; and
- (3) child care home capacity limits - after school care.

### *Second Meeting*

The second meeting of the Board was held on September 24, 2003. The Board considered

testimony concerning:

- (1) Family and Social Services Administration (FSSA) updates and responses to previous questions concerning child care providers/CCDF;
- (2) employer/private sector participation related to child care; and
- (3) preschool regulation.

#### *Third Meeting*

The third meeting of the Board was held on October 7, 2003. The Board considered testimony concerning:

- (1) proposed booster seat legislation and the potential effect on child care providers;
- (2) FSSA updates and responses to previous questions;
- (3) report from the Public/Private Partnerships for Child Care Subcommittee of the Board;
- (4) licensure/registration as the minimum standard for CCDF provider eligibility; and
- (5) kith and kin - number of related/unrelated children requiring licensure.

#### *Fourth Meeting*

The fourth meeting of the Board was held on October 22, 2003. The Board considered testimony concerning:

- (1) draft child care home administrative rules;
- (2) report from the Public/Private Partnerships for Child Care Subcommittee of the Board;
- (3) report from the Minimum Standard for CCDF Provider Eligibility Subcommittee of the Board; and
- (4) draft final report of the Board and proposed legislation.

#### *Fifth Meeting*

The fifth meeting of the Board was held on October 29, 2003. The Board considered:

- (1) the final report of the Board; and
- (2) proposed legislation for the 2004 session of the General Assembly.

### **IV. SUMMARY OF TESTIMONY**

The Board heard testimony from representatives of the following groups:

- (1) FSSA
- (2) Indiana Business Partnership Specialists
- (3) Parents
- (4) Child care providers
- (5) Healthy Child Care Indiana
- (6) Child Care Professional Network
- (7) Indiana Child Care Fund
- (8) Indiana Chamber of Commerce
- (9) Indiana Association for Child Care Resource and Referral
- (10) Eli Lilly and Co.
- (11) Other interested parties

### ***Child Care Financing***

The Board heard testimony concerning: (a) the need for new methods of child care financing, including public/private partnerships to make child care more available and affordable; and (b) current efforts of businesses and others to meet child care needs. The Public/Private Partnerships for Child Care Subcommittee was established during the September 24, 2003, meeting of the Board. The Subcommittee met on October 2, 2003, and October 15, 2003, to discuss the child care financing issue and develop recommendations for the Board's final report.

### ***Minimum Standard for CCDF Provider Eligibility***

The Board heard testimony concerning the minimum standard for participation of child care providers in the CCDF program. The Board's discussion included: (a) other states' requirements for CCDF participation; (b) legally unlicensed child care providers; (c) child health and safety versus child development requirements; (d) changes in types of providers participating in CCDF after implementation of the current minimum standards; and (e) consequences and benefits of requiring licensure or registration in addition to compliance with the current minimum standards for CCDF provider eligibility. The Minimum Standard for CCDF Provider Eligibility Subcommittee was established during the October 7, 2003, meeting of the Board. The Subcommittee met on October 13, 2003, to discuss the minimum standard issue and develop recommendations for the Board's final report.

### ***Child Care Home Administrative Rules***

The Board reviewed and discussed draft child care home administrative rules.

### ***Kith and Kin and Child Care Home Capacity Limit Issues***

Information was presented concerning: (a) the difficulty experienced by residents of certain areas in finding after school child care; (b) preferences for relatives or friends to provide child care; and (c) the definition of "related" for purposes of child care regulation. The Board's discussion included: (a) after school child care options; (b) safety issues related to the number of related and unrelated children in child care; (c) differences in child care in urban versus rural areas; (d) need for flexibility of regulatory requirements; and (e) need for parent choice of child care providers.

### ***Preschool Regulation***

The Board heard testimony concerning the perceived need for regulation of preschools, including health and safety issues and public education concerning preschool regulation.

### ***Proposed Booster Seat Legislation***

The Board received information concerning anticipated booster seat legislation for the 2004 session of the General Assembly. Comments regarding the concept were requested, especially with respect to potential effects on child care providers.

## **V. COMMITTEE FINDINGS AND RECOMMENDATIONS**

The Board made the following findings and recommendations:

### ***Child Care Financing***

The Public/Private Partnerships for Child Care Subcommittee agreed that partnerships among various groups, not only between government and businesses, are needed to address child care financing issues. Partnerships among the Indiana Department of Workforce Development, the Indiana Chamber of Commerce, Family and Social Services Administration, Indiana Business Partnership Specialists, nonprofit organizations, employers, businesses, and others were discussed to assist in addressing child care financing issues. The Subcommittee envisioned: (a) a focus on a new 50-50 partnership of government with the private sector, including businesses, employers, nonprofit organizations, and others; (b) an Indiana income tax form item allowing a voluntary taxpayer donation to child care financing projects; (c) tax credits for direct child care supports and buildings; and (d) consumer education regarding existing tax credits.

The Subcommittee submitted the following recommendations to the Board:

- (1) Further investigation and followup should occur to obtain information from FSSA concerning the possibility of use of TANF high performance bonus funds as seed money for a pilot child care financing project.
- (2) FSSA should be encouraged to ensure that consistent statewide CCDF waiting list inclusion criteria are developed.
- (3) At least six regional roundtable discussions should occur throughout Indiana to obtain information from employers and businesses concerning incentives for employer/business participation in child care, including tax incentives, with participation of DWD personnel.
- (4) The CCDF minimum standards statutes specifying that criminal history and drug testing requirements are met "at the provider's or individual's expense" should be amended to specify that the requirements are met "at no expense to the state".
- (5) Further discussion should occur concerning a possible Indiana income tax form provision allowing a voluntary donation by the taxpayer for child care financing programs.

The Board finds: (a) the Subcommittee recommendations are appropriate; and (b) that broad community collaboration, including employers, businesses, nonprofit organizations and others, should be sought in addressing the child care affordability and financing issue.

The Board recommends that, when sufficient information is available, legislation should be prepared for introduction during the 2004 session of the General Assembly to address the Board findings. The Board, by unanimous voice vote during the Board's October 22, 2003, meeting, adopted the Board's findings as recommendations.

PD 3379 specifies that the state does not incur the expenses of the criminal history and drug testing requirements that apply to CCDF child care providers, licensed child care homes, and licensed child care centers.

The Board, by a 13-0 show of hands, adopted the findings and recommendations, including PD 3379 for introduction during the 2004 session of the General Assembly.

#### ***Minimum Standard for CCDF Provider Eligibility***

The Minimum Standard for CCDF Provider Eligibility Subcommittee made a recommendation to the Board that licensure, including compliance with the current minimum standards under IC 12-

17.2-3.5, should be the minimum standard for CCDF provider eligibility after June 30, 2006.

The Board finds that the Subcommittee recommendation is appropriate, particularly in light of the information received by the Board during the October 7, 2003, meeting reflecting that only 5 states in the United States have less stringent family child care licensure thresholds than Indiana.

The Board, by unanimous voice vote during the Board's October 22, 2003, meeting, adopted the Subcommittee recommendation.

PD 3377 requires licensure, including compliance with the minimum standards specified in IC 12-17.2-3.5, as the minimum standard for CCDF provider eligibility after June 30, 2006.

The Board, by a 13-0 show of hands, adopted the findings and recommendations, including PD 3377 for introduction during the 2004 session of the General Assembly.

#### ***Child Care Home Administrative Rules***

The Board finds that further revision of the draft rules is necessary, and emphasizes the need for participation by child care home providers when provided with the opportunity for public comment and public hearings during the formal rules adoption process.

The Board recommends that FSSA continue the process toward adoption of revised child care home administrative rules, including careful consideration of the: (a) Board's comments, particularly with respect to: (1) offering incentives and financial assistance for child care homes to meet certain standards, such as education, rather than merely requiring compliance; and (2) recognition of the differences between residential and nonresidential child care settings and the difficulty of attempting to apply the same standards to both; and (b) public comment that will occur during the formal rules adoption process. Additionally, in an effort to ensure adequate public participation by child care home providers, the Board recommends that FSSA schedule any public hearing held as part of the formal rules adoption process at a time and place that allows a majority of child care home providers the opportunity to attend, and that FSSA directly notify licensed child care homes of the opportunity for public comment and the time and place of the public hearings.

The Board, by a 12-0 show of hands, adopted the findings and recommendations.

#### ***Kith and Kin and Child Care Home Capacity Limit Issues***

The Board made no findings or recommendations concerning these issues.

#### ***Preschool Regulation***

The Board finds that all child care providers that care for children of the same age group should meet the same standard of care.

PD 3396 requires registration of preschools.

The Board, by a 11-1 show of hands, adopted the findings and PD 3396 for introduction during the 2004 session of the General Assembly.



***Proposed Booster Seat Legislation***

The Board made no findings or recommendations concerning this issue.

## WITNESS LIST

Tavia Black, Child Care Professional Network

Patricia Cole, Healthy Child Care Indiana

Rep. Cleo Duncan, House District 67

LeeAnn Diekhoff, parent, Greensburg, Indiana

Beth Eiler, Bureau of Child Development, FSSA

Theresa Jolivet, Indiana Chamber of Commerce

Jan Keltz, Indiana Association for Child Care Resource and Referral; Indiana Business  
Partnership Specialists

Sheila Koors, parent, Greensburg, Indiana

Candice Lange, Eli Lilly and Co.

Jan Levy, Child Care Professional Network

Tina Mahern, Indiana Child Care Fund

Debbie Sampson, Bureau of Child Development, FSSA

Carole Stein, interested party

Rep. Peggy Welch, House District 60